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April 13, 2001

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Via Hand Delivery

Roberta D. Purcell
Assistant Administrator
Telecommunications Program, Rural Utilities Service
U.S. Department of Agriculture
1400 Independence Avenue, S.W., Stop 1590
Room 4056-S
Washington, DC 20250-1560

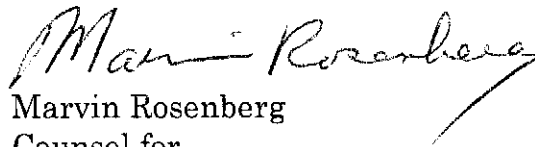
Re: Implementation of the Launching Our Communities'
Access to Local Television Act of 2000

Dear Ms. Purcell:

Transmitted herewith, on behalf of Hubbard Broadcasting, Inc., are an original and three copies of its Comments on the above referenced subject.

Should there be any questions, please communicate with the undersigned.

Sincerely,



Marvin Rosenberg
Counsel for
Hubbard Broadcasting, Inc.

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Enclosure

Before the
United States Department of Agriculture
Rural Utilities Service

In re:)
)
Implementation of the)
Launching Our Communities')
Access to Local Television)
Act of 2000)

To: Roberta D. Purcell
Assistant Administrator
Telecommunications Program
Rural Utilities Service

COMMENTS OF HUBBARD BROADCASTING, INC.

Hubbard Broadcasting, Inc. ("Hubbard") hereby submits its comments on the implementation of Public Law 106-553, "Launching Our Communities' Access to Local Television Act of 2000" (the "Act") by the Rural Utilities Service ("RUS").

A. Introduction

Hubbard, through affiliated companies, owns and operates the following television stations:

<u>Station</u>	<u>Designated Market Area</u>	<u>Satellite¹</u>
KSAX-TV, Alexandria, MN	Minn.-St. Paul, MN	Yes
KAAL-TV, Austin, MN	Rochester, MN-Mason City, IA-Austin, MN	No
WDIO-TV, Duluth, MN	Duluth, MN-Superior, WI	No
WIRT(TV), Hibbing, MN	Duluth, MN-Superior, WI	Yes
KRWF(TV), Redwood Falls, MN	Minn.-St. Paul, MN	Yes
KSTP-TV, St. Paul, MN	Minn.-St. Paul, MN	No
KSTC-TV, Minneapolis, MN	Minn.-St. Paul, MN	No
KOB-TV, Albuquerque, NM	Albuquerque-Santa Fe, NM	No

¹ Satellite television stations principally rebroadcast the signal of a parent full-service television station that is received directly from the parent station or from another satellite television station.

KOBF(TV), Farmington, NM	Albuquerque-Santa Fe, NM	Yes
KOBR(TV), Roswell, NM	Albuquerque-Santa Fe, NM	Yes
KOBG(TV), Silver City, NM	Albuquerque-Santa Fe, NM	Yes
WNYT(TV), Albany, NY	Albany-Schenectady-Troy, NY	No
WHEC-TV, Rochester, NY	Rochester, NY	No

Hubbard also owns and operates approximately sixty-five television translator stations to provide television service to areas where an acceptable signal cannot be received directly from a television station.

Based on its extensive experience serving rural areas in Minnesota and New Mexico, through a combination of satellite stations and translator stations, Hubbard believes that the Act offers an important opportunity to expand access to the signals of local television stations. Hubbard urges the RUS to implement the Act in such a way as to facilitate over-the-air access to local television programming in unserved and underserved areas.

B. The Advantages of Over-The-Air Television

At this time, only three viable television distribution technologies exist: over-the-air distribution, cable distribution and Direct Broadcast Satellite ("DBS") distribution. Wireless multi-channel distribution systems have not succeeded except in unusual situations. C-band satellite distribution has been largely displaced by DBS. DBS has shown substantial growth since its inception, but DBS penetration remains much smaller than cable penetration.

In rural areas, over-the-air distribution and DBS distribution enjoy a distinct advantage over cable distribution, because a low population density makes cable distribution economically unfeasible, whether or not loan guarantees exist.

In areas where cable distribution is economically feasible, over-the-air distribution and cable distribution presently have a technological advantage over DBS in the distribution of local television station programming, including a station's local news and weather. At present, DBS companies do not offer local signals to their subscribers in smaller markets, which are the markets targeted by the Act. In those smaller markets, DBS services at present offer no broadcast services other than distant signals. The Act correctly recognizes the importance of access to local signals rather than distant signals.

Over-the-air distribution provides viewers a distinct economic advantage over the other distribution systems. Over-the-air television is free to the audience, without the monthly subscription fees and equipment costs required by cable distribution and DBS distribution. Free distribution is particularly important in rural areas, where household incomes are substantially lower than in urbanized areas. It is also important to remember that even in households that subscribe to cable or DBS service, often only one television set is connected to the service, while other sets in the house can only receive an over-the-air service. Accordingly, expanded over-the-air television distribution benefits cable households and DBS households, as well as non-cable and non-DBS households.

The Act does not state a preference for one technology over another. Rather, as summarized by the RUS, the purpose of the Act is to provide a "guaranteed loan program to provide the highest quality access to signals of local television stations to the largest number of rural households located in nonserved and underserved

areas in the most economical and expedient manner." Due to the technological and economic advantages described above for over-the-air broadcast distribution, compared to cable distribution and DBS distribution, providing loan guarantees for expanded over-the-air distribution is critical to the ultimate success of the Act.

C. How To Expand Access To Over-the-Air Television.

Attached for purposes of illustration are coverage maps showing the current level of over-the-air television service by television stations (including satellite stations, but excluding TV translator/low power television ("LPTV") stations in Minnesota and New Mexico, two states served by Hubbard's stations. Outside the coverage area of stations licensed to the main urbanized areas (Minneapolis-St. Paul and Albuquerque-Santa Fe), substantial parts of the state receive three or fewer over-the-air television signals.

Lack of additional spectrum is the most significant limitation on the ability to expand over-the-air service. There are not many unused television channels now that the FCC is implementing the transition of television broadcast stations from analog to digital television ("DTV"). During the transition, existing stations are allotted a second channel for digital operation. At the end of the transition, television stations will operate only digitally in Channels 2-51 and the present analog spectrum in channels 52-69 is to be auctioned for other services. The transition to DTV has practically eliminated what was already a limited supply of vacant spectrum.

However, there are presently available means to expand the use of spectrum. Not all television stations, and particularly not all satellite television stations, are operating with maximum facilities. Loan guarantees can help stations obtain the capital to increase their operating power and/or tower height to improve service to rural areas. In addition, in rural areas there are opportunities to provide additional service through new translator/LPTV stations. Because the Act provides that loan guarantees cannot be used in acquiring spectrum rights from the FCC, companies will have to apply for and obtain new translator/LPTV construction permits from the FCC without government-guaranteed loans. However, after the permits are obtained, loan guarantees should be available for the construction of new translator/LPTV stations, which are a cost-effective method of providing service to rural unserved and underserved communities.

D. The Impact of DTV

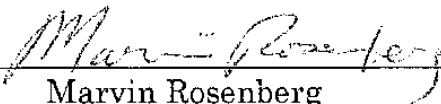
The FCC has attempted to implement DTV with the goal of replicating the analog service areas of existing television stations so that there would be no loss of service due to the shift from analog service to digital service. However, Hubbard believes that there will be some loss of service, particularly in the first several years, in moving from theoretical coverage models into real-world complications concerning such factors as antenna location, antenna efficiency, receiver design and receiver sensitivity. Unfortunately, loss of service in a digital setting means no picture at all, rather than a poor but viewable picture. The loss of service is likely to be greatest in rural areas, at the edges of stations' predicted service areas.

Hubbard urges the RUS to take into account the likely need for improvements in transmission systems for television stations as well as translator/LPTV stations to overcome the potential loss of service arising out of the transition to DTV.

E. Conclusion

Of the three viable distribution systems for television, over-the-air television enjoys certain unique technological and economic advantages that make it an essential component in expanding access to television service in rural areas. Hubbard urges the RUS to develop rules that will include providing for loan guarantees to television stations for purposes of expanding analog and digital service to rural areas.

HUBBARD BROADCASTING, INC.

By 
Marvin Rosenberg
Thomas J. Hutton

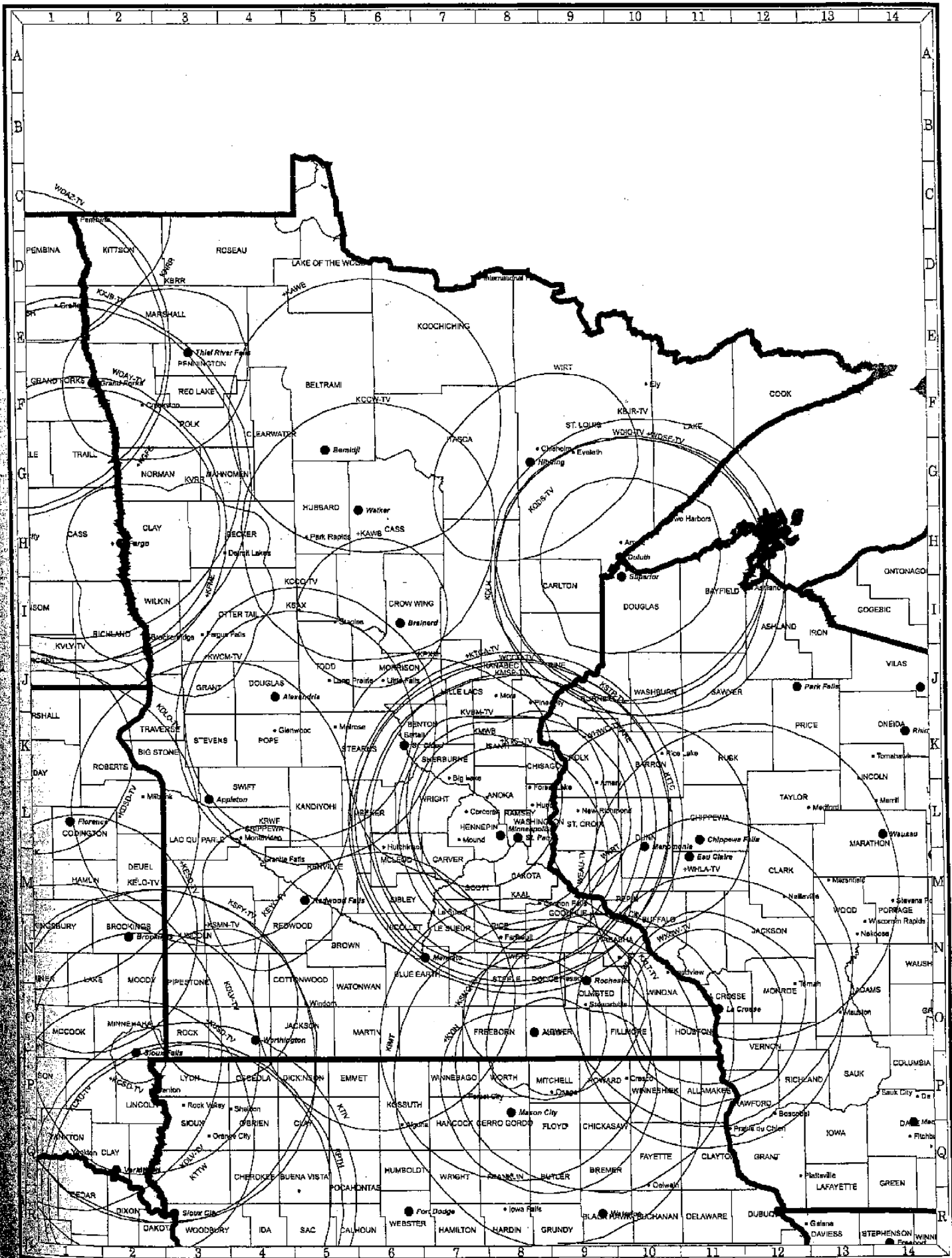
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April 13, 2001

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NEW MEXICO—OTHER COMMERCIAL STATIONS

